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# United States Senate

WASHINGTON, DC 20510-3405

March 31, 2006

The Honorable Mark W. Everson  
Commissioner  
Internal Revenue Service  
1111 Constitution Avenue, NW  
Washington, DC 20224

Dear Commissioner Everson:

As you know, the IRS has recently proposed regulations that would allow, among other things, professional tax return preparers to sell private taxpayer return information to marketers, data brokers and other third parties. I have serious concerns about these proposed changes and strongly urge you to reconsider this approach.

I think that the American public would be outraged by this initiative and justifiably so. I believe the approach taken in the IRS proposal will further weaken already low taxpayer confidence in the federal tax system, risk rampant distribution of their private tax information for all kinds of unrelated marketing purposes and increase opportunities for identity theft and other cases of financial fraud.

Mr. Commissioner, our federal tax system depends on all taxpayers to provide a detailed and honest accounting of financial information in their tax returns. In return, taxpayers have every right to expect the IRS and private return preparers who may assist them to keep their tax return information in the strictest of confidence. In fact, taxpayer privacy is such an important part of the administration of our tax system that federal law generally prohibits the federal government and private tax preparers from sharing a taxpayer's return or return information with others.

While current law -- and these proposed rules -- attempt to provide some consent requirements, these privacy protections are not enough given the high stakes involved. In fact, the IRS should take immediate steps to prohibit tax preparers from selling or sharing their clients' tax return information with third parties.

In summary, Mr. Commissioner, I believe that the IRS's proposed rules would move us in the wrong direction in terms of tax administration and tax policy. Our tax system will work best if taxpayers can really believe that the personal financial information in their tax return is protected from public disclosure. Instead of constructing new tax rules that could ultimately lead to widespread dissemination of personal taxpayer tax return information, we should be doing more to protect it.

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Thank you in advance for your consideration of this request. I look forward to hearing back from you.

Sincerely,

A handwritten signature in dark ink, reading "Byron L. Dorgan". The signature is fluid and cursive, with a long horizontal stroke at the end.

Byron L. Dorgan  
U.S. Senator

BLD:ach